

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2010-0011**

ADOPTION OF A STATEMENT OF OVERRIDING CONSIDERATIONS (SOC),  
CORRECTION TO THE CLEAN WATER STATE REVOLVING FUND (CWSRF)  
2009/2010 PROGRAM PROJECT PRIORITY LIST, AND EXECUTION OF A CWSRF  
PRELIMINARY FUNDING COMMITMENT (PFC) FOR THE CITY OF SAN DIEGO (CITY),  
POINT LOMA GRIT PROCESSING IMPROVEMENT PROJECT (PROJECT),  
CWSRF PROJECT NO. C-06-4395-110

WHEREAS:

1. The State Water Resources Control Board (State Water Board) adopted the "*Policy for Implementing the CWSRF for Construction of Wastewater Treatment Facilities*" (Policy) and amended it on March 17, 2009;
2. The State Water Board, on September 15, 2009, adopted the State Fiscal Year 2009/2010 CWSRF Program Priority List which included the City's Project in Priority Class C, the Project is incorrectly listed as project No. C-06-5337-110. The correct project No. is C-06-4395-110;
3. The Division of Financial Assistance (Division) approved the Facility Plan for the City's Project on March 1, 2010;
4. An independent credit review was completed on March 2, 2009, recommending a credit limit of \$46,419,892 million for the Project;
5. The City has adopted City Ordinance No. 19916 dedicating net system revenue of the Wastewater Enterprise Fund for repayment of the CWSRF financing agreement;
6. The City meets the definition of an Urban Water Supplier as defined in Section 10617 of the Water Code (WC). The City has prepared and submitted an Urban Water Management Plan to the Department of Water Resources in accordance with Section 10644 of the WC;
7. The City certified, on March 1, 2010, that it is in compliance with the water metering requirements of Division 1, Chapter 8, Article 3.5 of the WC;
8. The City certified a Master Plan Environmental Impact Report (EIR), adopted a Mitigation Monitoring and Reporting Program (MMRP) and SOC, and approved the Project on April 1, 1996;
9. The City's SOC substantiated its decision to approve the Project despite significant unavoidable permanent impacts to 1) aesthetics (the Headworks Building Complex will be visible to ocean-going watercraft west of the Project) and 2) paleontological resources (the Headworks Building Complex will require the drilling of foundation bore holes in bedrock formations where potential paleontological resources will be ground into fragments by the drilling process);
10. The City approved an addendum to the Master Plan EIR and adopted a modified MMRP on August 4, 2003;

11. The City filed a Notice of Determination (NOD) for the addendum with the San Diego County Clerk's Office on August 7, 2003, and with the Office of Planning and Research (OPR) on August 8, 2003;
12. The City finalized a California Environmental Quality Act (CEQA) Section 21166 Analysis on February 27, 2009, and made findings that the environmental conditions for the Project did not change significantly since the Master Plan EIR was certified and the addendum was adopted;
13. The City used the Section 21166 findings for the Project, approved an NOD on February 27, 2009, and filed it with the San Diego County Clerk's Office on March 20, 2009 and with OPR on March 26, 2009;
14. State Water Board staff finds that the following specific economic, social, technological, and environmental benefits of the Project outweigh the unavoidable adverse environmental impacts:
  - a. The Project will help the City comply with the National Pollutant Discharge Elimination System permit to decrease biochemical oxygen demand from its effluent;
  - b. The Project will improve the grit collection and removal process;
  - c. The Project will enhance removal of suspended solids from sewage under normal operating conditions, and during high flow events;
  - d. The Project will reduce impacts to the marine environment at the City's discharge outfall;
  - e. The Project will contain and reduce objectionable odors that are produced at the Point Loma Wastewater Treatment Facility;
  - f. The Project will reduce maintenance costs associated with the wear on equipment due to friction; and
  - g. The Project will help the City comply with structural design changes in the International Building Code;
15. State Water Board reviewed and considered the Master Plan EIR, addendum, and other applicable environmental documents, and determined that the Project will not result in any significant adverse water quality impacts;

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Lists the Project on the 2009/2010 CWSRF Project Priority List as Project No. 4395-110;
2. Approves a CWSRF financing agreement amount of \$34,918,555 million for the proposed Project, including a 20-year repayment period, with the first repayment due one year after completion of construction;
3. Adopts an SOC for the CWSRF Program for the City's Project;
4. Conditions this approval by withdrawing the CWSRF PFC if the City does not sign the agreement by September 30, 2010, in accordance with Section IX (K) of the Policy. Division staff should have the discretion to approve up to a 120-day extension for good cause;

5. Conditions this approval, as determined by the City's credit review, with the following items:
  - a. The financing agreement shall be secured on a parity basis with the City's outstanding senior obligations;
  - b. A reserve fund, equal to one year's debt service, must be established by the City prior to construction completion; and
  - c. The financing agreement shall be limited to a maximum of \$46,419,892 million unless information supporting the credit review changes and a supplemental credit review is performed.

### CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Board held on April 20, 2010.

AYE:            Chairman Charles R. Hoppin  
                    Vice Chair Frances Spivy-Weber  
                    Board Member Arthur G. Baggett, Jr.  
                    Board Member Tam M. Doduc  
                    Board Member Walter G. Pettit

NAY:            None

ABSENT:        None

ABSTAIN:       None

  
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Jeanine Townsend  
Clerk to the Board